

7. COMPARISON OF WATER RATE SCENARIOS

Below is a comparison of all five long-term alternatives and both growth scenarios. The bi-monthly bills are calculated based on 7,000 gallons of water usage per month (estimated average for Manteno residents).

Growth Scenario 1					
FYE	Scenario 1a	Scenario 1b	Scenario 2b	Scenario 3a	Scenario 3b
2005	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00
2006	\$45.49	\$45.54	\$44.41	\$43.36	\$32.32
2007	\$65.19	\$65.32	\$62.10	\$59.29	\$32.64
2008	\$66.82	\$66.96	\$63.65	\$63.44	\$85.28
2009	\$68.49	\$68.64	\$65.25	\$67.88	\$87.84
2010	\$70.20	\$70.37	\$66.89	\$72.63	\$90.47

Growth Scenario 2					
FYE	Scenario 1a	Scenario 1b	Scenario 2b	Scenario 3a	Scenario 3b
2005	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00
2006	\$45.86	\$45.96	\$44.79	\$43.84	\$32.32
2007	\$66.23	\$66.49	\$63.11	\$60.67	\$32.64
2008	\$67.89	\$68.15	\$64.69	\$64.92	\$85.28
2009	\$69.58	\$69.85	\$66.31	\$69.46	\$87.84
2010	\$71.32	\$71.60	\$67.97	\$74.33	\$90.47

Scenario 3b results in the highest costs to users after FYE 2007 because the rate that customers would pay to purchase water from Aqua is significantly higher than the Village's costs to produce its own water. Scenario 2b results in the lowest cost to customers after FYE 2007 because by utilizing the deep aquifer, the Village would have fewer wells to maintain, and therefore lower operating costs for the water utility.

For further comparison, we obtained the current water rates for several communities surrounding Manteno, and calculated an average resident's bi-monthly water bill for each community, based on 7,000 gallons of water usage per month. The asterisks (*) indicate

communities who do not produce their own drinking water, but instead purchase it from Aqua. Though Aqua bills monthly, for consistency with the Village's current billing structure, equivalent bi-monthly bills for all municipalities are presented below.

Municipality	Bi-monthly Water Bill
Momence	\$26.40
Manteno (current)	\$32.00
Richton Park	\$34.19
Peotone	\$36.74
Beecher	\$42.60
Wilmington	\$50.79
New Lenox	\$53.90
Matteson	\$74.86
Kankakee*	\$75.54
Bradley*	\$75.86
Bourbonnais*	\$76.06

As shown above, Manteno's current water rates are some of the lowest in the surrounding area. Assuming that none of these communities raises water rates in the next five years (which is highly unlikely), the five-year rate increases proposed in Scenarios 1a, 1b, 2b, and 3a would result in rates that are about average for the nearby area. Scenario 3b would result in some of the highest water rates in the area, similar to Kankakee, Bradley, and Bourbonnais, who have turned their water systems completely over to Aqua.